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# *Guide to the* California Timber Yield Tax



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## Preface

*Note: This publication summarizes the law and regulations in effect as of the cover date. However, changes in the law or regulations may have occurred since that time. If there is a conflict between the text of this publication and the law, any decisions will be based on the law and not on this pamphlet.*

This pamphlet is intended as a guide to the California Timber Yield Tax Law and your responsibilities as a timber owner. The timber yield tax is a property tax with a current rate of 2.9 percent. Timber owners must report and pay the tax when they harvest their trees, or “timber.” The Timber Yield Tax Law is administered by the State Board of Equalization. The tax revenue, less administrative costs, is returned to the county where the trees were harvested.

We welcome your suggestions for improving this publication. You may use the reader survey on page 31 to make comments and suggestions, or contact the

Timber Tax Section, MIC:60  
State Board of Equalization  
P.O. Box 942879  
Sacramento, CA 94279-0060

- We have used this arrow to mark sections of the publication that address the timber yield tax requirements most often misunderstood by taxpayers. Please take the time to read these marked sections carefully.
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# 1. Timber Yield Tax Basics

*This chapter contains basic information on the timber yield tax, including which harvests and products are taxable, who has the responsibility for paying the tax, how and when the tax applies, and information on the registration process.*

## *General application of tax*

The timber yield tax applies to the harvest of forest trees, whether standing or down, for wood products. As a timber owner (see page 2), you generally owe the timber yield tax when your trees are harvested

- Regardless of the number of trees removed.
- Whether you sell, give away, trade, or use the trees yourself.
- Whether you have received any money for the trees.
- Whether the trees were diseased, dead, dying, or down.
- Whether the trees were harvested on public or private land (except for Indian tribal lands).
- Whether the land is designated as a Timberland Production Zone or zoned for some other use.

Please note that you owe the tax even though you may have filed an exemption form with the California Department of Forestry (CDF). Such “exemptions” refer only to state timber harvest regulations and do not affect your tax liability.

## *Exceptions*

You do *not* owe the timber yield tax if

- The trees are left lying on the ground, unused.
- You transfer ownership of the timber to a logger or to another person *before* the trees were cut and are therefore not the timber owner (see page 2). For this to apply, you must have a written contract that specifically transfers ownership of the trees to the other party before they are cut down. Please note that most harvest contracts for felling and marketing timber *do not* transfer ownership of the timber before harvest.
- You remove trees from Indian tribal lands.
- You are a tax-exempt organization that does not pay property taxes on the land where the trees are growing.
- Your timber harvest has an immediate harvest value of \$3,000 or less within a quarter. See page 4 for definition of *immediate harvest value*.

► *You pay tax based on Board-established timber values.*

The timber yield tax you pay is based on values established by the state for various timber products, as determined by analysis of market transactions in your area. *You do not pay tax based on the amount you receive for your trees or wood products.* The Board of Equalization (Board) issues schedules of timber harvest values twice each year.

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*Taxable wood products*

Taxable wood products include

- Softwood logs from trees such as cedar, fir, hemlock, pine, redwood, and spruce.
- Other, miscellaneous wood products such as fuel (fire) wood, chipwood, poles and pilings, posts, split products (shingles and shakes), and Christmas trees.
- Hardwood logs from trees such as alder, chinquapin, cottonwood, eucalyptus, madrone, maple, oak, tanoak, and willow.
- Cull logs (logs with less than one-quarter sound, usable wood).

Other products from forest trees, such as branches, burls, cones, and seeds, are not subject to the tax.

In addition, the timber yield tax does not apply to the following:

- Orchard trees (fruits and nuts)
- Nursery stock
- Live Christmas trees sold in containers

► **Timber owner must pay the tax.**

As a timber owner, you have the responsibility for filing timber yield tax returns and paying any tax due. This is true even if you made a verbal or written agreement with another person stating that they will pay the tax.

*Timber owner, defined*

You are considered a timber owner if

- You own the trees immediately prior to their being felled or harvested; or
- You are the first person or agency (not exempt from property tax) to acquire legal or beneficial rights to timber after felling, when the trees were owned by a state, federal, or other tax-exempt entity. Examples of such agencies are the U.S. Forest Service (USFS) and Bureau of Land Management (BLM).

A timber owner can be an individual, government agency, or legal entity such as a partnership, limited liability company, or corporation.

*Tax applies when the trees are moved or used.*

The timber yield tax applies when your trees are cut down and/or moved to any storage or wood processing area, such as a sawmill. If you use the logs yourself, the tax applies when the timber is moved to a storage area somewhere else on your property or when they are put into use, whichever occurs *first*.

*The Board automatically registers many timber owners.*

The Board receives notice of timber harvest plans filed with CDF and of federal government agency timber harvest contracts. If you filed harvest forms with CDF or purchased a timber contract from federal agencies such as the USFS or BLM, the Board's Timber Tax Section will establish a timber yield tax account for you and assign an account number. You will automatically be sent timber tax return forms and harvest value schedules, instructions on how to

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complete the returns, and a copy of this publication. You will remain registered with the Board—and will be required to file timber tax returns—until you notify us, in writing, that you no longer intend to harvest timber.

*Exception:* The Board will not register the owners of timber harvests that appear to have, in total, an immediate harvest value of \$3,000 or less within a quarter.

Other timber owners  
must contact the  
Board to register.

*Information  
required  
for registration*

If you own and harvest timber without authorization from CDF or the federal government, use a timber harvest plan approved for someone else, or sell Christmas trees from a Christmas tree farm, it is your responsibility to contact the Board to register for the timber yield tax.

Whether you are automatically registered or call the Board to register for the tax, you will be asked to furnish

- The name(s) of the legal timber owner(s).
- Your driver license number.
- Your Social Security number.
- Your phone number.
- Your mailing address (and county name).
- The type of ownership (individual, partnership, corporation, husband and wife, other).
- Type of harvest products (logs, fuelwood, Christmas trees, other).
- First date of harvesting (cutting the trees).

The Board may request additional information necessary to fully complete your registration.

*Note:* All information about your account is considered confidential, including your account number and even the fact that you are registered. If you want the Board to send forms or information about your account to another party, you will need to give specific written authorization to the Timber Tax Section.

*Other taxes and  
regulations*

As noted in the Preface, the timber yield tax is a property tax based on the value of your timber. Other taxes, including sales tax and state and federal income tax, may apply to your operations. Complying with the requirements of the timber yield tax does not relieve you of your responsibility to comply with other applicable laws, including timber harvest laws and regulations.



## 2. Timber Tax Definitions

*This section defines some of the terms used in this pamphlet and on timber yield tax forms, Harvest Values Schedules, and returns. Some of the terms may have a different meaning in another context. It is important that you understand the way they are used in this tax program, especially before you complete any tax return forms.*

Cull	Unusable portion of a log that is caused by a defect in the log.
Cull log	A log with <i>less than</i> one-quarter of its volume made up of sound, usable material. Logs with unsound sapwood are <i>not</i> cull logs if they contain one-quarter or more sound, usable material.
Harvest name or sale name	Any name associated with a timber sale contract (legal harvesting agreement).
Harvest value/ immediate harvest value	The value of trees just before they are harvested, determined by the Board and shown on the <i>Harvest Values Schedule</i> .
Low-value harvest	A timber harvest with an immediate harvest value of \$3,000 or less within a quarter.
Low-value exemption	The timber yield tax exemption that applies to low-value harvests.
MBF	Thousand board feet (Scribner short-log scale). The standard measure of logs.
Miscellaneous timber products	Products such as Christmas trees, fuelwood, chipwood, poles, posts, split products (shakes and shingles), small sawlogs (see below), and cull logs.
Sawlogs	Logs that will be cut into dimension lumber such as two-by-fours.
Sawlogs, small	Logs of any species, other than coastal redwood, where the average net volume per 16-foot log for all sawlogs excluding coastal redwood removed from a timber harvest operation during a calendar quarter is less than 65 board feet, Scribner short-log scale.
Scaling	Measuring logs to determine the volume of sound wood.
Scale ticket	A document that shows the volume of wood in logs delivered to a sawmill.

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Scribner short-log scale	A method of determining the volume of usable wood in a log, based on a 16-foot log. The standard scaling method authorized by the Board for reporting sawlog volume.
Timber harvest operation	A harvest on private land for an entire <i>Timber Harvesting Plan</i> , <i>Notice of Timber Operations</i> , or <i>Emergency Notice</i> (or any combination within the same geographical area), as submitted to the California Department of Forestry and Fire Protection; or, a harvest on public land for an entire timber sale contract between a public agency and a purchaser.
Timber Value Area (TVA)	A geographic area of the state having common timber growing, harvesting, and marketing conditions, as defined by the Board.
Volume	The quantity of wood in a log or tree.
Volume, adjusted gross	The amount of wood material in a log after deducting for areas where the wood material is missing (used to report cull log volume).
Volume, net	The amount of sound, usable wood material in a log after deducting for areas where wood is missing or defective.





### 3. Filing Timber Tax Returns

*This chapter contains basic information on timber tax return filing requirements, including due dates, and information on penalty and interest charges. Detailed information regarding how to properly complete your timber tax return is found in chapter 6, “Completing Tax Forms,” beginning on page 14.*

*You must file quarterly returns*

For most accounts, timber yield tax returns must be filed for each calendar quarter. However, if Christmas trees are the only forest product you harvest, you will file a return only for the fourth quarter of each year.

The filing date is the last day of the month following the end of the quarter, as shown below.

<i>Quarterly Reporting Period</i>	<i>Due Date</i>
1 January 1 through March 31	April 30
2 April 1 through June 30	July 31
3 July 1 through September 30	October 31
4 October 1 through December 31	January 31

Timber tax returns must be postmarked by the due date. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is considered the final filing date. If you do not file your timber tax return by the date it is due, you may be subject to interest and penalty charges (see “Penalty and interest charges for late filing,” page 7).

► You must file even if you do not harvest timber in a quarter.

You must file quarterly timber tax returns as long as you remain registered with the Board, even if you do not harvest any timber during a reporting period. A check box on the return allows you to indicate that you did not harvest timber during the period.

*If you are reporting only a low-value harvest*

You must file a return even if all of your harvests for the reporting period qualify for the low-value exemption. Use the check box on the timber tax return form to indicate that all of your harvests qualify for the low-value exemption and that no timber tax is due.

*If you will not harvest in the future*

Another check box on the timber tax return form allows you to indicate when you have no further timber harvests to report. If you check this box, your account will be closed and forms will no longer be sent to you. You can reregister at any time.

*Required forms are mailed to you*

Near the end of the calendar quarter, the Board will mail you the forms necessary to properly report your timber tax. You will receive two forms—the *Timber Tax Harvest Report* (BOE-401-APT), which is used to report basic information about your harvest and to calculate total harvest value, and the *Timber Tax Return* (BOE-401-1PT) itself.



- *Please note: you must file your quarterly timber tax return on time even if you do not receive one in the mail. If you do not receive your tax return forms by the tenth day after the end of the calendar quarter, please call the Board's Information Center (see page 29) and ask for replacement forms or you may download them from the Board's website at [www.boe.ca.gov/proptaxes/timbertax.htm](http://www.boe.ca.gov/proptaxes/timbertax.htm).*

*If you have more than one harvest or cut trees in more than one county or Timber Value Area*

Although you will file only one *Timber Tax Return* per quarter, you will need to file a separate *Timber Tax Harvest Report* for each harvest operation, each county, and each timber value area in which you harvest timber. If you need additional report forms, you may photocopy the blank one sent to you, download one from the Board's website at [www.boe.ca.gov/proptaxes/timbertax.htm](http://www.boe.ca.gov/proptaxes/timbertax.htm) or call the Board's Information Center to request additional blank harvest report forms.

*Harvest Values Schedules are needed to complete your return.*

Since you do not compute your tax based on the amount of money you received for your trees or timber products, the Board will also send you *Harvest Values Schedules* that you must use to determine the proper value on which to calculate the timber yield tax. The *Harvest Values Schedule* instructions provide detailed explanations for the various reporting requirements (see page 14). If you do not receive the value schedules you need to complete your return, you can download them from the Board's website at [www.boe.ca.gov/proptaxes/timbertax.htm](http://www.boe.ca.gov/proptaxes/timbertax.htm). Or you can call the Board's Information Center (see page 29) and ask that they be mailed or faxed to you.

*Penalty and interest charges for late filing*

You may owe penalty and interest charges if you do not file a quarterly tax return or file after the due date, or if you do not pay the tax you owe by the date it is due.

The penalty for filing or paying late is ten percent of any tax amount due that was not paid by the due date. Interest accrues on a daily basis. The rate (which may change twice a year) is printed on your tax return, expressed as a daily interest factor.

#### *Example*

Your second quarter 2006 timber tax return was due on July 31, 2006, but you did not file until August 15, 2006. Your *Timber Tax Return* form shows tax due of \$1,000. Since your return and payment are late, you owe a penalty of \$100 ( $\$1,000 \times 10\%$ ). In addition, you owe interest for 15 days. The daily interest factor printed on your return is 0.0001369 ( $5\% \text{ annual rate} \div 365 \text{ days}$ ). The amount of interest you owe is \$2.05 ( $\$1,000 \text{ tax} \times 0.0001369 \text{ daily interest factor} \times 15 \text{ days}$ ). The total amount due with your return is \$1,102.05 ( $\$1,000 \text{ tax} + \$100 \text{ penalty} + \$2.05 \text{ interest}$ ).

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*Requesting a filing or  
payment extension*

Circumstances beyond your control may cause you to be late in filing your return or making your tax payment. If that occurs, you may request a time extension, provided you file and pay the amount due *within one month of the due date*. To request an extension, please include a letter with your tax return explaining the reason your payment is late. If the extension is granted, the ten percent penalty for late payment will be waived. Please note that the Board cannot waive the interest charge for late payments.

*Requesting relief from  
late payment penalty*

If you pay your timber yield tax more than one month after it is due, you may wish to seek relief from the late payment penalty. To do so, you need to file a statement “under penalty of perjury” (be sure to include those words) explaining why your payment is late, and why you believe the penalty should not apply. The Board may grant your request for penalty relief and waive the ten percent penalty. As previously noted, any interest due will still apply.

*Filing a corrected  
return*

You may need to file corrected forms for the calendar quarter if you find that you made a mistake on your original timber tax return. The best way to provide the correct information is to mark your corrections in red on a photocopy of the original form. (If corrections are extensive, you may choose to use entirely new forms.) In either case, please print “CORRECTED” at the top of the form.



*Please note:* Be sure not to make adjustments or corrections for one quarter on a timber tax return for a different quarter.

*If you underpaid tax*

If your correction shows that you underpaid the timber tax, you must file the corrected tax return forms and pay the additional tax due, plus interest for the number of days that passed between the original due date and the date you pay the additional tax (see example on previous page).

*If you overpaid tax*

If your correction shows that you overpaid the timber tax, you may submit a written claim for refund. No special form is needed—your claim can simply be a letter. Please be sure that it clearly states your name and timber tax account number and the specific reasons you believe you have overpaid tax. It is best to include a photocopy of your original tax return forms with corrections shown in red. Claims for refund must be submitted within three years of the due date for the calendar quarter involved, or within six months of the date of the overpayment, whichever period expires *last*. Be sure to sign and date your claim.

*Billing for tax due  
when return  
not filed*

If for any reason you do not file a quarterly timber tax return, the Board may bill you for tax we determine you owe for the period, based on the best information available to us, including your filing history. Any such billing will also include interest and penalty due. If you believe that the billed amount is wrong or excessive, it is your responsibility to provide evidence showing you owe less tax.

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*If you refuse to file a  
return or to furnish  
information*

If you refuse to file a timber yield tax return or furnish information requested by the Board, you may be fined up to \$5,000, imprisoned for up to one year in county jail, or both, for each violation. If the Board determines that you did not file a return or purposely understated your tax because of fraud or intent to evade the timber tax, you will be billed a 25 percent penalty and be subject to criminal prosecution.



## 4. Keeping Records

*This chapter gives general information on the recordkeeping requirements of the Timber Yield Tax Law. For more detailed information, you may wish to obtain a copy of Property Tax Rule 1031, Records, from the Board's Information Center (see page 29).*

### *Maintaining adequate records*

You must maintain adequate and complete records that will back up your timber yield tax returns, and make them available to the Board upon request. Your records need to show all of the following:

- The contractual or financial agreements related to the ownership and logging of your trees.
- The locations of the trees cut.
- Wood product volumes.
- The basis for computing harvest values.

The timber industry customarily uses a variety of items to record this information. Your records may include

- Financial books (ledgers and journals).
- Income tax returns.
- Complete harvest plans.
- Timber sale contracts.
- Bills, receipts, invoices, statements, worksheets, and summaries.
- Check stubs.
- Scale tickets.
- Appraisal notes.
- Property maps.
- Any other document used in preparing your timber tax return or that can substantiate your return.

### *Records on microfilm or in electronic format*

You may maintain your records on microfilm or in an electronic format, provided they meet certain requirements. For more information, see Property Tax Rule 1031, *Records*, or contact the Board's Timber Tax Section.

### *Record retention period*

You must generally maintain records for a period of four years from the due date of your quarterly tax return, or the date the return was filed, whichever is later.

### *If you do not maintain records*

If you do not keep and maintain complete and accurate records, the Board may consider that as evidence of negligence or intent to evade the timber tax. As previously mentioned, you may be subject to penalties and prosecution.



## 5. Audits and Appeals

*This chapter includes general information on the return and account review and audit procedures used by the Board in administering the timber yield tax, and provides an overview of appeals procedures. For more information, please contact the Timber Tax Section.*

### *Information review*

As noted in chapter 1, the Board receives notification of potential logging activity from other state and federal agencies. In addition, Timber Tax Section staff use several methods to verify that timber harvests and tax amounts are properly reported, including review of

- Tax returns.
- Harvest volume information provided by all California sawmills and nearby sawmills in Oregon and Nevada.
- Information gathered by Timber Tax Section staff that is used in setting harvest values.

### *Returns reviewed as submitted and when accounts are closed*

The Board reviews all timber tax returns for completeness and accuracy as they are received. When your account is closed, all of your tax reporting is again subject to review. If you have made a mistake or information is missing or inconsistent, you may be sent a bill for unpaid tax or a letter notifying you of a potential billing or refund, along with instructions letting you know what to do next.

### *Types of audits*

In addition to reviewing returns for accuracy, the Board also conducts two basic types of timber yield tax audits:

- *Office audits*, conducted using information obtained from sawmills and other information acquired to set harvest values.
- *Field audits*, conducted when the Board needs additional records to verify tax reporting.

### *Office audits*

If review of sawmill and other industry records reveals a discrepancy in your tax reporting, or the Board otherwise finds you have not reported timber tax that appears to be due, an *office audit*—using only the information already on hand—may be conducted. As a result, you may be sent a *Report of Investigation* that indicates you owe additional tax, or you may be notified that you are owed a refund (see “Audit results,” next page).

### *Field audits*

The Timber Tax Section conducts field audits of approximately 20 percent of those accounts owing more than \$100,000 of timber yield tax per year. Generally, accounts that owe lesser amounts are subject to a field audit only on an “as needed” basis.

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<i>Notification of field audit date and time period.</i>	If you are selected for a timber tax field audit, a Board auditor will telephone or write you in advance to arrange an acceptable date to begin the audit. At that time, the auditor will identify the time period covered by the audit and the records needed for review. If your records are not available in California, you may need to have them delivered to Sacramento.
<i>Audit period</i>	California law generally allows the Board to audit your account for the period ending three years prior to the time the audit takes place. Under certain conditions, the audit can examine earlier periods. Determinations (billings or refund notices) can be issued for any reporting period covered by the audit.
<i>Audit process</i>	At the beginning of the field audit, the auditor will confer with you to determine what background information, reporting methods, and records will be reviewed. As the audit progresses, the auditor will discuss with you sample periods, sampling techniques, and any problem areas. A final conference will usually be held to explain any proposed refunds or additional tax or to indicate that there will be no change in your tax liability. In addition, the auditor may make suggestions regarding your future timber tax reporting practices.
<i>Audit working papers</i>	You are entitled to request and receive copies of the audit working papers, which normally include schedules that document the tests and examination procedures used in the audit. A copy of any new or revised tax return forms is supplied to you along with a <i>Report of Investigation</i> (see next section).
<i>Audit results</i>	<p>After the written copy of the field or office audit is processed through an internal review, you will be sent a <i>Report of Investigation</i> detailing the audit results. If you have questions or disagree with any portion of the report, you will have ten days from the date of the cover letter to telephone or write to the auditor.</p> <p>If you do not reply and the audit revealed additional tax due, the Board will send you a billing called a <i>Notice of Determination</i>. You have 30 days from the date of the notice to pay the amount due or to file an appeal of the audit billing (see next page). If the audit shows that you are due a refund, the auditor will request that you submit a written claim for refund (see “If you overpaid tax,” page 8). After reviewing your claim and ensuring that you do not owe other offsetting amounts of tax, the Board will issue you a refund check.</p>

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## *Appealing the results of an audit*

You may appeal a Board audit finding by submitting an appeal petition within 30 days of the date of the *Notice of Determination*. Your petition, which can be in the form of a letter, must

- Be in writing.
- Identify the protested items.
- State the specific grounds or reasons why you believe you do not owe the tax due.

You should also include your account number and a specific request for a hearing. This request will ensure that, if needed, you will have the opportunity for an appeals conference and a Board hearing later in the appeals process.

Be sure that you sign and date your petition.

## *Submitting your petition on time*

Please ensure that your petition is postmarked no later than 30 days from the date of the *Notice of Determination*. Your petition may be denied if submitted at a later date. If your petition is not submitted on time and you still wish to contest the amount due, you will need to pay the tax liability shown on the notice and file a claim for refund of the amount you believe you do not owe (see page 8).

Please send your petition to the

Timber Tax Section, MIC:60  
Board of Equalization  
P.O. Box 942879  
Sacramento, CA 94279-0060

You may also send your appeal by fax to 916-324-2757.

*Please note:* Interest continues to accrue on amounts due while your appeal is pending. If you wish to stop the accrual of interest, you may wish to pay the amount indicated on the *Notice of Determination* and file a claim for refund. Payment does not indicate your agreement with the notice.

The Board will notify you in writing of its findings and rulings on the appeal.





## 6. Completing Tax Forms

*This chapter is intended for use as a reference as you complete your timber tax forms. There is additional information on how to complete the forms in the Harvest Values Schedule and on the forms themselves. Examples and tips for completing the forms are found in the next chapter. If you need further help, please call the Board's Information Center at 800-400-7115.*

### *Calculating tax— the basic formula*

The timber tax return (“return”) and timber tax harvest report (“harvest report”) take you through the steps necessary to calculate the amount of timber yield tax that you owe, if any. While there are several preliminary steps, the tax calculation can be simplified as a basic formula:

$$\text{Volume} \times \text{Value} \times \text{Tax Rate} = \text{Tax Due}$$

You will supply the figures for the volume of the trees cut. The value and tax rate are established and provided by the Board, although you or your tax preparer must supply some information about the trees cut in order to determine which values apply.

### *Information needed to complete your return*

You will need to have all of the following information on hand as you complete your return:

- Your harvest plan or government contract number.
- The harvest or sale name, if one was used.
- The location, including the county, where the trees were cut.
- The dates the timber was scaled.
- Whether the cutting has been completed.
- The number of acres on which the harvest took place.
- Current Board *Harvest Values Schedule* (see page 7).

In addition, you will need to know this information:

- The species (type) of trees cut (examples: ponderosa pine, redwood, sugar pine, Douglas fir, western red cedar, white fir).
- Whether the cutting was done to salvage dead or dying trees.
- The type of logging system used (the method used to move the trees from the stump to a truck or storage area).
- The volume (quantity) cut.

### *Where to find it*

Some of the information will be available from the *Timber Harvesting Plan*, *Exemption Notice*, or *Notice of Emergency Operations* that you filed with the California Department of Forestry and Fire Protection (or from your federal government agency contract). The sawmill or your logger generally provides summaries showing most of the needed information.

## Steps in completing your forms



### Complete the report before the return

#### The basic steps

Please note: Unless otherwise noted, the column and item number references in this chapter refer to the harvest report, not the tax return.

1.

Identify the harvest county and Timber Value Area (items 6A, 6B, and 7)

If you cannot find information you need regarding the salvage classification for the trees cut, the number of acres involved, or the logging system used, you should contact your forester or logger for assistance.

Completing your harvest report and return involves several steps. Most involve determining the taxable harvest value of your timber, using the information you have about the timber harvested and the Board's *Harvest Values Schedule*.

*Please note:* Be sure to use the *current* schedules when completing your forms.

You must complete your *Timber Tax Harvest Report* (BOE-401-APT) form(s) *before* you can complete the *Timber Tax Return* (BOE-401-1PT). While you will only file one return per quarter, you may need to file more than one report, as noted below.

The basic steps you will follow in determining your timber yield tax are outlined here; most are explained in the text, as noted. Some steps have more than one part. Steps 1–7 involve the harvest report rather than the return. They must be repeated for *each* report you complete.

1. Identify the county and Timber Value Area where your trees were cut (below).
2. Determine the species code (pages 16 through 18). For forest products other than sawlogs, skip to step 5.
3. Identify the logging method for each species code (page 18).
4. For certain species, determine the size code (page 18).
5. Determine the volume for each species code (page 19).
6. Determine net harvest value *per unit* for each species code (page 20).
7. Determine taxable harvest value (per-unit value x volume) for each species code and total for all codes (page 21).
8. Transfer information on each timber tax report to your timber tax return (see samples, page 25).
9. Total amounts listed and multiply by timber yield tax rate to determine tax due (see samples, page 25).

First, you need to identify the county and Timber Value Area (TVA—see next page) in which your trees were cut. You must complete a *separate harvest report* for *each* county and TVA in which you harvested trees (and for each separate timber operation). A code number for each county is listed on the back of the *Timber Tax Harvest Report*.

## 2.

*Determine the  
species code  
(column 12)*

*Species codes,  
miscellaneous  
forest products*

For timber yield tax purposes, the state is divided into 11 Timber Value Areas, made up of groups of counties (or parts of counties).

The area within each TVA has common timber growing, harvesting, and marketing conditions. Values for the different types of timber, as established by the Board, may be different in each TVA. The *Harvest Values Schedule* and the map on page 26 contain the information you need to determine the TVA for your timber harvest.

Next, you need to determine the *species code* for your timber. Species codes for wood products *other than sawlogs* are shown below.

Product	Species Code
Christmas trees, natural miscellaneous	XNM
Christmas trees, natural red fir	XNR
Christmas trees, natural white fir	XNW
Christmas trees, plantation	XP
Cull logs	CUL
Fuelwood, hardwood	FWH
Fuelwood, miscellaneous	FWM
Pulp chipwood and hardwood logs	HW
Woods-produced fuel chips	CS
Poles and pilings, small (20'–40')	PS
Poles and pilings, medium (41'–60')	PM
Poles and pilings, large (61'–up)	PL
Posts, round	PST
Split products, redwood	TR
Split products, miscellaneous	TM
Small sawlogs, miscellaneous (SSM) <sup>1</sup>	SSM
Miscellaneous conifer species <sup>2</sup>	CM

<sup>1</sup> To qualify for the SSM Immediate Harvest Value (IHV), the average log volume for all species combined, excluding coastal redwood, must be less than 65 board feet per 16-foot segment. To determine this average, the total lineal footage of each species of the scaled logs is first divided by 16 to determine the number of 16-foot log segments for each species. Then, the sum of the number of log segments for all species, excluding coastal redwood, is divided into the total net volume for all species, excluding coastal redwood. If the result is less than 65 board feet, the SSM IHV applies to the entire combined net volume for all species other than coastal redwood.

<sup>2</sup> Includes lodgepole pine, knobcone pine, gray pine, and other evergreen species not listed in harvest value Tables G and S.

If you did not harvest softwood sawlogs, you can go to the next step in completing your report—determining product volume (see page 19).

### *Sawlogs*

For sawlogs (except for “small sawlogs,” see footnote page 16), the species code is based on two factors, as defined by the Board:

- Species.
- Whether the logs qualify as salvage timber.

*Species* (type of tree). The species code chart below shows the species categories you must use to report your timber harvest. Please note that some codes include several different kinds of trees.

*Salvage*. Salvage timber generally has less value. Under the Timber Yield Tax Law, timber qualifying for salvage values

- Must be removed from an area designated for salvage logging in the timber harvest plan, timber contract, or harvest plan exemption; and
- Includes only dead, dying, or damaged trees that would not survive twelve months; or down trees.

Redwood logs that are dead or down, previously left as unmerchantable in an earlier harvest, can qualify as salvage timber.

Trees removed as part of a salvage harvest that do not qualify as salvage timber *cannot* be given salvage species codes and values. The following *do not* qualify as salvage timber:

- Dead, dying, damaged, or down trees removed as part of a normal harvest.
- Live, healthy trees removed from an area of salvage logging.

### *Species codes, softwood logs*

Species	Species Code	
	<i>nonsalvage</i>	<i>salvage</i>
Ponderosa pine <sup>1</sup>	PPG	PPS
Hem/fir <sup>2</sup>	FG	FS
Douglas fir	DFG	DFS
Incense cedar <sup>3</sup>	ICG	ICS
Redwood	RG	RS
Port Orford cedar	PCG	PCS

<sup>1</sup> Includes Jeffrey pine, sugar pine, coulter pine, and western white pine.

<sup>2</sup> White fir, red fir, grand fir, western hemlock, mountain hemlock, spruce, and Shasta red fir.

<sup>3</sup> Includes western red cedar.

---

*Step 2, continued*

*Enter species codes  
in column 12*

3.

*Determine  
the logging  
system code  
(column 13)*

In column 12 of your harvest report, enter the species code for each category of timber harvested. Be sure to make separate entries for trees of the same species code harvested using different logging systems (see next section). For example, if you harvested some ponderosa pine trees using tractor logging and others using a skyline system, list the code for ponderosa pine (PPG) twice in column 12.

For each sawlog species code you list on your report, you will also need to list a code for the logging system—the method used to move the logs from the stump to a truck or storage area. The logging codes and systems are shown below.

*Code    Logging System Used*

- T    *Tractor*—pulling logs behind a tracked, wheeled, or rubber-tired tractor or skidder, or using a winch attached to a tractor.
- S    *High-lead cable and skyline*—dragging logs or lifting logs off the ground with cables attached to poles or trees.
- H    *Helicopter*.

*Note:* If you used a logging system other than those listed or are unsure which system to report, please contact the Timber Tax Section.

*Enter logging code in  
column 13*

4.

*Determine  
the size code  
(columns 14  
and 15)*

In column 13 of your timber tax report, list the logging system code letter for each sawlog species code you have entered in column 12.

For harvests of ponderosa pine, Douglas fir, redwood, and Port Orford cedar, you may need to determine the size code for the logs. (This is not required for certain species—check value schedules.) The code is based on the average net volume per 16-foot log. To determine the average net volume, you must divide the total net volume for the logs (excluding cull logs) in a particular species code by the total number of 16-foot log segments. If you don't know the number of logs, calculate it by dividing the total linear footage by 16.

*Example:* You harvest 20,000 board feet (20 MBF) of live, healthy ponderosa pine trees (species code PPG) from your land. Your lumber mill scale summary shows the total linear footage as 1,126 feet. To determine the size code, you first determine the number of 16-foot log segments ( $1,126 \div 16 = 70.375$ ). To determine the net volume per 16-foot log, you then divide the total net volume—20,000—by 70, the number of whole 16-foot segments. The average number of board feet per log is 285 ( $20,000 \div 70 = 285$ ). Using the chart below, you determine the size code of your ponderosa pine to be 2, since the average segment contained more than 150 board feet and less than 300 board feet.

### Size codes

Species	Size Codes		
	1	2	3
	average number of board feet per 16-foot segment		
Ponderosa pine	Over 300	300–150	Under 150
Douglas fir	Over 300	300–150	Under 150
Redwood	Over 300	300–150	Under 150
Port Orford cedar	Over 125	125 & under	n/a

Enter size code in column 15

Enter the size code, if needed for the species listed above in column 15 of your timber tax report. You must also list the average volume per log (in board feet) in column 14.

5.

Determine product volume (columns 16 and 17)

Sawlogs (column 16)

You must list the total volume harvested for each species code you have entered on your harvest report, in the units of measure defined by the Board. Be sure to list volume only for those trees scaled in the reporting quarter.

Sawlogs are measured in net thousands of board feet (MBF). Volume for sawlog species codes must be listed in column 16 of your timber tax report in thousand board foot-increments, rounded to the nearest thousand board feet. For example, if you harvested 40,400 board feet (40.4 MBF) of a particular species, you would round this amount to the nearest thousand board-foot increment and enter the volume for that species as “40.”

*Please note:* For sawlogs, the volume of timber harvested is usually noted on your mill scale summary. Be sure to use the *net* volume rather than the *gross*, if both are listed. If your records do not list timber in thousand board-foot increments, you may need to consult your forester, logger, or sawmill. You may also contact the Timber Tax Section for assistance.

Miscellaneous timber products

Volumes for miscellaneous timber products (see table on page 16) must be listed in the units of measure shown in *Table 1* of the *Harvest Values Schedule*, rounded to the nearest full unit. Fuelwood, for example, is measured in full cords (4' x 4' x 8'), while poles and pilings are measured in linear feet. In column 17 of your report, enter the volume for miscellaneous products listed in column 12 (except for split products and small sawlogs) on the same line as the species code. Split products (shakes and shingles) must be converted to board feet by multiplying the thickness (T") of the product by its width (W") and length (L")—all in inches—and then dividing by 144. ( $T \times W \times L \div 144 = \text{board feet per piece}$ ; multiply by number of pieces for total volume). Enter volumes for split products and small sawlogs (see page 16) in column 16.



---

## 6.

### *Determine harvest value per unit (column 18)*

The next step in completing your harvest report is to determine the net value per unit for the species you harvested and listed on your report. Values for miscellaneous products are shown in *Table 1* of the values schedule, and should be transferred to column 18 of your report exactly as they appear in the table. Before you can determine the value of your sawlogs, however, you need to determine whether any value adjustments (deductions) apply.

#### *Logging system adjustment*

All sawlog values shown on the *Harvest Values Schedule* tables are for timber harvested using a tractor logging system (logging code T, see page 18). If you used a different logging system, the timber may qualify for a deduction from the values shown. Each table lists deduction amounts for the various logging systems.

#### *Small total volume adjustment, item 11A*

If the total volume of timber you harvested during the quarter is relatively small, you may qualify for a deduction, as noted on the *Harvest Values Schedule* tables. To determine the total volume of timber you harvested during the quarter, add all figures you have entered in column 16 of your report and compare the result to the small volume figures shown on the table. If you qualify for a small volume deduction, be sure to list the amount of the deduction in item 11A of your report.

#### *Low volume per acre adjustment, item 11B*

For timber other than salvage timber, you may qualify for a low volume per acre deduction. To determine the volume per acre of your harvest, you must divide the total volume removed this quarter (from item 9 or box 20 on your report) by the total acres on which you actually harvested timber during the quarter (item 10). If the result is less than 5 MBF per acre, you qualify for the deduction shown on the table. Enter the amount of the low volume per acre deduction on Line 11B.

#### *County adjustment, item 11C*

If you harvested timber in Marin, Monterey, San Mateo, Santa Clara, or Santa Cruz counties, that timber qualifies for a county deduction. On line 11C, enter the current county deduction listed in the *Harvest Values Schedule*.

#### *Using the Harvest Values Schedule tables (see sample section and example on page 24)*

To determine the unit value for your sawlogs, you must first determine which table in the *Harvest Values Schedule* to use for each species code. There are two tables of sawlog values: one for green (nonsalvage) timber (*Table G*) and one for salvage timber (*Table S*). A sample table section is found on page 24.

In using the table, you must refer to the species codes you have listed in column 12 and, if applicable, the size codes from column 15. After you find the proper species code (and size code, if applicable), read across until you reach the column for your Timber Value Area. The figure printed there is the Board-established value per MBF) for timber of that species, grown in that area. If there are no adjustments that apply, transfer the printed table value to column 18 of your report. If there are applicable adjustments, deduct them



from the table value first and then enter the result in column 18. You will need to follow this process for each sawlog species code listed on your report.

*Example*

Using a tractor logging system, you harvest 15 MBF of live redwood (species code RG) of size code 2 in Humboldt County (TVA 1). Using *Table G, Timber Harvest Values*, you determine that the unit value for the timber is \$700. You have already determined that you qualify for a small total volume adjustment of \$150 and a low volume per acre adjustment of \$25. You would calculate the unit value of your redwood in this way:

$$\begin{array}{r} \$ 700^* \text{ value from Table G} \\ - 150^* \text{ small volume adjustment} \\ - 25^* \text{ low volume per acre adjustment} \\ \hline \$ 525 \text{ harvest value per unit} \end{array}$$

Enter the result, \$525, in column 18 of your harvest value report.

\* These amounts are shown as examples only. Be sure to use the current harvest values and adjustment amounts shown in the applicable *Harvest Values Schedule*.

7.

*Determine  
taxable value  
(column 19)*

The next step in completing your harvest report is to determine the taxable harvest value for each species code listed. Since you have already listed all of the volume and value figures on your report, there are no further preparatory steps. Just multiply the volume figure from column 16 or 17 by the harvest-value-per-unit figure in column 18. Enter the result (rounded to the nearest whole dollar) in column 19 (see example, page 25). When you have calculated the taxable harvest value for all products listed on the report, total the figures in column 19 and enter the result in box 21.

If the total in box 21 is more than \$3,000, transfer the figure to your return. Multiply the amount by the tax rate to determine the timber yield tax due (see completed sample forms on page 25).

If the total in box 21 is \$3,000 or less, *do not* carry the amount forward to your tax return. Instead, please print EXEMPT in large block letters on the face of your harvest report and then check the low-value exemption box on your return.



## 7. Examples and Tips

*This chapter includes an example of how to complete a timber harvest report for a sample harvest, examples of completed forms, and tips on completing your report and return.*

### *Example: Completing timber tax forms*

*Forms completed with  
information from this  
example are found on  
page 25.*

You, Tim Timberowner, filed a Timber Harvesting Plan with the California Department of Forestry and Fire Protection (CDF) so that you could harvest trees from your 20-acre parcel of land. The property is in Shasta County, between Interstate Highway 5 and State Highway 89. CDF approved your harvest plan and assigned the identification number 2-06-8888-SHA(2). To make identification easier, you agreed with the logger to name your harvest “Nest Egg.” After learning of your harvest from CDF, the Board notified you that you were registered as a timber owner and assigned you a timber tax account number, YT-888888.

The logger started cutting the trees May 19, 2006, and finished June 11, 2006. He used a tractor to move the logs to his trucks. The logs were delivered to a sawmill and scaled as they arrived. According to the scaling summaries you received, the logger harvested

- 39.500 net thousand board feet (MBF) of ponderosa pine, which totaled 3,280 linear feet.
- 25.490 net MBF of hem/fir.
- 14.950 net MBF of incense cedar.

The summaries also show 5.850 MBF of pine and fir logs that were classified as “cull.” In addition to the logs delivered to the mill, you cut 4 cords of pine for your own use as firewood.

### *Completing your harvest report*

Since you had only one harvest operation during the quarter and it took place in one county, you will complete one *Timber Tax Harvest Report* (BOE-401-APT). A sample report, completed with information from this example, is on page 25.

### Column 12, Species Code

List the species code for each timber product you harvested (see tables on pages 16 and 17 and *Harvest Values Schedule*):

- PPG for ponderosa pine
- FG for hem/fir
- ICG for incense cedar
- CUL for cull logs
- FWM for pine firewood

### Column 13, Logging Code

Enter a “T” for tractor logging (page 18), for each species code except CUL and FWM.

*Forms completed with information from this example are found on page 25.*

Please note: *All value figures in this example are shown for illustration only. You must use the timber values in the current Harvest Values Schedule when you complete your timber tax report.*

### Columns 14 and 15—Average Volume per Log and Size Code

**Column 14.** First, calculate the number of 16-foot ponderosa pine logs harvested ( $3,280 \text{ linear feet} \div 16 = 205$ ). Next, divide the total volume for the ponderosa pine by 205 to obtain the average volume per log ( $39,500 \text{ board feet} \div 205 \text{ logs} = 193 \text{ board feet per log}$ ). Enter in column 14 on the line for PPG.

**Column 15.** Enter 2, the size code (from page 19) for ponderosa pine logs with over 150 board feet and less than 300 board feet per log (PPG line).

### Column 16, Volume Harvested

For your sawlogs. Round summary volumes to nearest whole MBF: 40 for species code PPG, 25 for FG, 15 for ICG.

### Column 17, Miscellaneous Harvest Volume

Use harvest value *Table 1* to determine the measurement unit: MBF for cull logs and cords for fuelwood (round to nearest full unit). Enter 6 for cull logs (CUL) and 4 for pine firewood (FWM).

### Item 20, Total Volume Harvested

Add all volumes listed in column 16 ( $40 + 25 + 15 = 80$ ).

### Item 11A, Small Total Volume Deduction

Enter the adjustment for small total volume (*Table G*). Since your total volume of 80 MBF is less than 100 MBF but more than 25 MBF, your deduction is \$100.

### Item 11B, Low Volume per Acre Deduction

Divide total harvest volume (box 20 and line 9) by number of acres cut (line 10):  $80 \text{ MBF} \div 20 \text{ acres} = 4 \text{ MBF per acre}$ . Enter low volume per acre adjustment, \$25, from *Table G*.

### Column 18, Harvest Value per Unit (use Harvest Values Schedule)

For firewood and cull logs, enter full value as shown on table (there are no allowable deductions). For sawlogs, subtract applicable deductions from table value and enter result.

- Ponderosa pine (PPG); use *Table G—Timber Harvest Values* (see sample next page). Find value for PPG, size code 2, in Timber Value Area 7, \$600. Subtract the adjustment amounts of \$100 and \$25 (lines 11A and 11B), and enter the result, \$475.
- Hem/fir (FG); use *Table G—Timber Harvest Values*. Find FG value for Timber Value Area 7, \$410. Subtract the adjustment amounts of \$100 and \$25, and enter the result, \$285.
- Incense cedar (ICG); use *Table G—Timber Harvest Values*. Find ICG value for Timber Value Area 7, \$310. Subtract the adjustment amounts of \$100 and \$25, and enter the result, \$185.

*Sample section,  
Harvest Values  
Table, showing  
where to find  
table value for  
ponderosa pine,  
size code 2, TVA 7.*

Table G—Timber Harvest Values						
Tractor Logging (Logging Code T)						
Species Code	Species Code	Size	Timber Value Area			
			5	6	7	8
Ponderosa Pine	PPG	1	680	730	700	725
		2	600	650	600	625
		3	490	580	500	500

- Cull logs; use *Table 1—Miscellaneous Harvest Values*. Enter the value shown for cull logs (CUL), \$5 (no deductions apply).
- Fuelwood; use *Table 1*. Enter the value shown for fuelwood, miscellaneous (FWM), \$15 (no deductions apply).

#### Column 19, Taxable Harvest Value

Calculate for each line, multiplying the volume in column 16 or 17 by the unit value in column 18.

<i>Species Code</i>	<i>Volume</i>	<i>x</i>	<i>Unit Value</i>	<i>=</i>	<i>Taxable Value</i>
PPG	40	x	\$ 475	=	\$19,000
FG	25	x	\$ 285	=	\$ 7,125
ICG	15	x	\$ 185	=	\$ 2,775
CUL	6	x	\$ 5	=	\$ 30
FWM	4	x	\$ 15	=	\$ 60

#### Item 21, Total Taxable Harvest Value

Total the amounts in column 19 and enter result, \$28,990. This is the amount you will transfer to your timber tax return.

#### Completing the return

Complete the first line of the *Timber Tax Return* (BOE-401-1PT), being sure to list the county name, Shasta, and county number, 45, in the proper columns. Transfer the amount in item 21 of your harvest report, \$28,990, to column 4. (If you had completed additional harvest reports, you would transfer the box 21 amounts from each report to the next lines on the return and total them on line 6 of the return.)

#### Item 7, Timber Tax

Multiply Item 6, Total of Harvest Values, by the tax rate indicated and enter the result ( $\$28,990 \times 2.9\% = \$840.71$ ). Since you are filing and paying on time, there is no interest or penalty due. The total timber yield tax due on the timber you harvested this quarter is \$840.71

Completed forms,  
Tim Timberowner  
example

Timber Tax  
Harvest Report

—completed before  
return

Please note: Values  
are shown for  
illustration only. Be  
sure to use current  
harvest values  
provided by the  
Board.

BOE-401-APT (FRONT) REV. 20 (2-03)  
**TIMBER TAX HARVEST REPORT**

STATE OF CALIFORNIA  
BOARD OF EQUALIZATION

Please read instructions and Harvest Value Schedules before preparing.

1. 2 QUARTER 2006 YEAR PAGE 1 OF 1

2. HARVEST PLAN/CONTRACT NO. 2-06-8888 3. Tim Timberowner TIMBER OWNER NAME 4. 888888 ACCOUNT NUMBER

5. NEST EGG HARVEST NAME OR SALE NAME 6A. SHASTA COUNTY OF HARVEST 6B. 45 COUNTY CODE NO. 7. 7 TIMBER VALUE AREA

8. ☒ YES ☐ NO FINAL HARVEST REPORT FOR THIS OPERATION? 11A. SMALL TOTAL VOLUME DEDUCTION 100 \$ PER MBF  
11B. LOW VOLUME PER ACRE DEDUCTION 25 \$ PER MBF

9. 80 MBF TOTAL VOLUME REMOVED THIS QUARTER 10. 20 TOTAL ACRES CUT THIS QUARTER 11C. COUNTY DEDUCTION \$ PER MBF

**TAXABLE HARVEST VALUE CALCULATION (refer to Harvest Value Schedules)**

SPECIES CODE	LOGGING CODE	AVERAGE VOLUME PER LOG (board feet)	SIZE CODE	VOLUME HARVESTED (Scribner Net to nearest MBF)	MISC. HARVEST VOLUME TABLE 1 UNIT MEASURE	HARVEST VALUE PER UNIT	TAXABLE HARVEST VALUE (round to nearest whole dollar)	BOE USE ONLY
12	13	14	15	16	17	18	19	
PPG	T		2	40		\$ 475.00	\$ 19,000	
FG	T			25		285.00	7,125	
ICG	T			15		185.00	2,775	
CUL					6	5.00	30	
					4	15.00	60	
						.		
						.		
						.		
						.		
						\$ .		
20. TOTAL VOLUME HARVESTED (total Column 16)				<u>80</u>	21. TOTAL TAXABLE HARVEST VALUE (total Column 19)		<u>\$ 28,990</u>	

TRANSFER TOTAL IN ITEM 21 TO COLUMN 4 OF THE TIMBER TAX RETURN (BOE-401-1PT)

BOE-401-1PT (FRONT) REV. 12 (3-00)  
**TIMBER TAX RETURN**

STATE OF CALIFORNIA  
BOARD OF EQUALIZATION

PLEASE READ INSTRUCTIONS BEFORE PREPARING

**DUE ON OR BEFORE**  
July 31, 2006

Mail to:  
STATE BOARD OF EQUALIZATION  
PO BOX 942879  
SACRAMENTO CA 94279-4001

Tim Timberowner  
888 Tree Street  
Redding, CA 96001

2 2006  
QUARTER YEAR  
888888  
ACCOUNT NUMBER

**IMPORTANT NOTICE:**  
If you did not harvest timber for this quarter, please see Items 12 and 13 below, sign, and return this form.

**SUMMARY OF HARVEST VALUES BY COUNTY**

1. HARVEST REPORT PAGE NUMBER(S)	2. COUNTY NAME	3. NUMBER	4. TOTAL TAXABLE HARVEST VALUE FROM HARVEST REPORT(S)	BOE USE ONLY
1	SHASTA	45	\$ 28,990 .00	
			.00	
			.00	
			.00	
5. Total from Supplement Tax Return Form			.00	
6. Total of Harvest Values (enter the total of the Harvest Values in Column 4)			28,990 .00	
7. Timber Tax (multiply the total of Harvest Values on line 6 by 2.9%)			840.71	
8. Penalty (multiply line 7 by 10% (.10) if payment is made after the due date shown above)			0	
9. Interest (compute at daily)			0	
10. TOTAL AMOUNT DUE AND PAYABLE (add lines 7, 8 and 9)			\$ 840.71	

11. Dates of scaling reported with this return 5-19-06 to 6-11-06

12. ☐ Check box if this is your final tax return, no further harvesting. **Close account.**

13. ☐ Check box if you did not harvest for this quarter.

14. ☐ Check box if you have harvested timber and all of your harvest operations are \$3,000 or less in value.

SIGNATURE Tim Timberowner 15. AND TITLE (916) 222-2222 PHONE NUMBER

MAKE CHECK OR MONEY ORDER PAYABLE TO STATE BOARD OF EQUALIZATION  
Always write your account number on your check or money order. Make a copy for your records.

REC. NO. Please notify Board if name or address incorrect; business closed; ownership or location changed.

Circled information  
must be transferred  
to the return:

- Page number
- County name
- County number
- Total taxable harvest value

Timber Tax Return

## Timber Value Areas

Use this map to determine the timber value area for your harvest (see page 15).

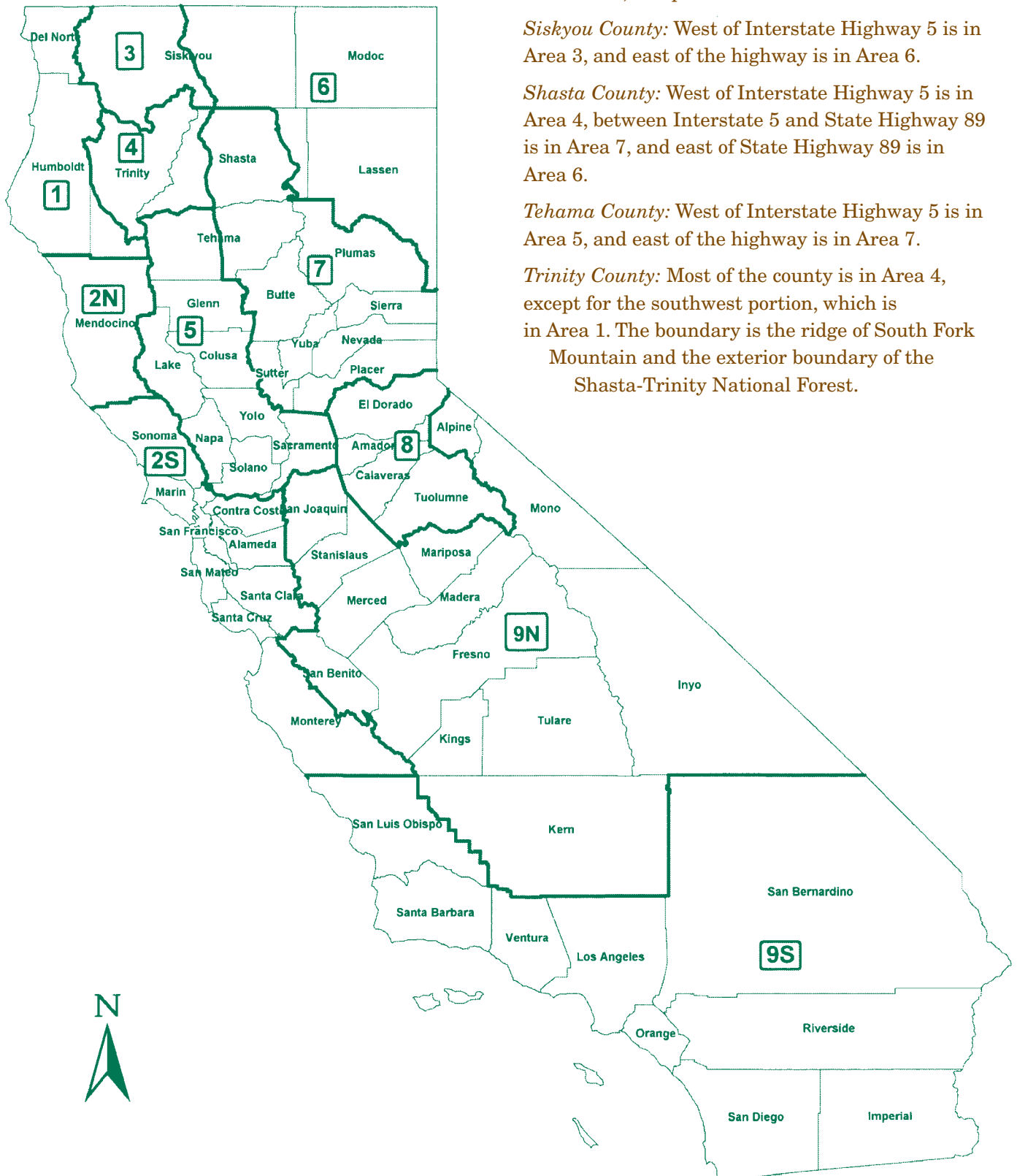
Timber value area boundaries follow county boundaries, except for

*Siskiyou County:* West of Interstate Highway 5 is in Area 3, and east of the highway is in Area 6.

*Shasta County:* West of Interstate Highway 5 is in Area 4, between Interstate 5 and State Highway 89 is in Area 7, and east of State Highway 89 is in Area 6.

*Tehama County:* West of Interstate Highway 5 is in Area 5, and east of the highway is in Area 7.

*Trinity County:* Most of the county is in Area 4, except for the southwest portion, which is in Area 1. The boundary is the ridge of South Fork Mountain and the exterior boundary of the Shasta-Trinity National Forest.





## Tips for Completing Your Timber Tax Harvest Report

These tips are intended to *supplement*, not replace, the report instructions. Please read the complete instructions when filling out your report. *If any preprinted information is incorrect, please line through and correct.*

BOE-401-APT (FRONT) REV. 20 (2-03)

### TIMBER TAX HARVEST REPORT

STATE OF CALIFORNIA  
BOARD OF EQUALIZATION

*Please read instructions and Harvest Value Schedules before preparing.*

1. 1 QUARTER \_\_\_\_\_ YEAR \_\_\_\_\_

2. 2 PAGE \_\_\_\_\_ OF \_\_\_\_\_

2.  HARVEST PLAN/CONTRACT NO.

3. 3 \_\_\_\_\_ TIMBER OWNER NAME

4. 4 \_\_\_\_\_ ACCOUNT NUMBER

5. \_\_\_\_\_ HARVEST NAME OR SALE NAME

6A. \_\_\_\_\_ COUNTY OF HARVEST

6B. \_\_\_\_\_ COUNTY CODE NO.

7. \_\_\_\_\_ TIMBER VALUE AREA

8. ☐ YES ☐ NO  
FINAL HARVEST REPORT FOR THIS OPERATION?

9. 5 \_\_\_\_\_ MBF TOTAL VOLUME REMOVED THIS QUARTER

10. 6 \_\_\_\_\_ TOTAL ACRES CUT THIS QUARTER

7 7 11A. SMALL TOTAL VOLUME DEDUCTION \_\_\_\_\_ \$ PER MBF

7 7 11B. LOW VOLUME PER ACRE DEDUCTION \_\_\_\_\_ \$ PER MBF

7 7 11C. COUNTY DEDUCTION \_\_\_\_\_ \$ PER MBF

#### TAXABLE HARVEST VALUE CALCULATION (refer to Harvest Value Schedules)

SPECIES CODE	LOGGING CODE	AVERAGE VOLUME PER LOG (board feet)	SIZE CODE	VOLUME HARVESTED (Scribner Net to nearest MBF)	MISC. HARVEST VOLUME TABLE 1 UNIT MEASURE	HARVEST VALUE PER UNIT	TAXABLE HARVEST VALUE (round to nearest whole dollar)	BOE USE ONLY
12	13	14	15	16	17	18	19	
<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">8</span>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">9</span>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">10</span>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">10</span>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">11</span>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">12</span>	\$ <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">13</span> .	\$ <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">14</span>	
						.		
						.		
						.		
						.		
						.		
						.		
20. TOTAL VOLUME HARVESTED (total Column 16)				<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">5</span>	21. TOTAL TAXABLE HARVEST VALUE (total Column 19)		\$ <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">15</span>	

**TRANSFER TOTAL IN ITEM 21 TO COLUMN 4 OF THE TIMBER TAX RETURN (BOE-401-1PT)**

- 1 Number of calendar quarter, as shown on return (see page 6).
- 2 Enter page number of report (number consecutively), then the total number of report pages you are filing this quarter (see page 15). *Example:* Page 1 of 3.
- 3 Your timber tax account name, as shown on return.
- 4 Your timber tax account number, as shown on return.
- 5 Total volume for this operation *in this quarter* (the figure in items 9 and 20 should be the same).
- 6 Acres on which trees were cut *during this quarter only*.
- 7 Complete only if deduction applies (see page 20). Sawlogs only.
- 8 Use Board-specified species codes (see *Harvest Values Schedule* and pages 16 and 17).
- 9 Sawlogs only (see page 18).
- 10 For appropriate species only (see page 19).
- 11 For species in Tables G and S, small sawlogs, and split products. Round to nearest MBF (see page 19).
- 12 For species in *Table 1*, *except* split products, small sawlogs and miscellaneous conifer species (see page 19). Round to nearest full unit.
- 13 For miscellaneous products, enter *Table 1* values. For sawlogs, enter table value less any deductions (see page 20). Calculate to two decimal places (\$1.11).
- 14 For each line, multiply column 16 or 17 by column 18. Round to nearest whole dollar.
- 15 Total column entries. If total is \$3,000 or less, print EXEMPT in large block letters on the face of the harvest report. Do not transfer amount to return. If total is more than \$3,000, transfer amount to *Timber Yield Tax Return*.



## Tips for Completing Your Timber Tax Return

These tips are intended to *supplement*, not replace, the return instructions. Please read the complete instructions when filling out your return.

*If any preprinted information is incorrect, please line through and supply correct information.*

- 1** Your return must be postmarked by this date. If you file even *one day* late, you will owe penalty and interest (see page 7).

- 2** Calendar reporting quarter. Must be the same on return and attached reports.

- 3 Your timber tax account number.

- 4 Make separate entries for each harvest report page. If you need more space, you must complete a *Timber Tax Return (Supplement)* (BOE-401-SPT).

- 5 From each harvest report page.

- 6 From item 21 on each harvest report. Do not transfer item 21 if amount is \$3,000 or less.

- 7 See *Supplement information*, 4

- 8 Multiply item 6 amount by 0.029 and enter result.

- 9 For all late returns:  
multiply item 7  
amount by 0.10.

- 10** For late payments:  
multiply item 7  
x preprinted daily  
rate x number of  
days late.

- 11** Dates must fall within the quarterly reporting period. The return must not include timber scaled in a different quarter.

- 12** Check here if you do not plan to harvest timber for at least 12 months following the end of the reporting quarter. Your account will be closed.

- 13** Check here if you have no timber volume to report for the quarter. Sign and date your return, and mail it to the Board. Your account will stay open.

- 14** Check here if you harvested timber and *all* of your harvest operations qualify for the low-value exemption.

[illegible]

*General tax  
information,  
help with  
your forms*



## For More Information

If you need general information about the timber yield tax, or help completing your timber tax forms, you may call the Board's Information Center. Customer Service Representatives are available to help you Monday through Friday (except state holidays), from 8:00 a.m. to 5:00 p.m. (Pacific time).

Call 800-400-7115

TDD/TTY: 800-735-2929

### *Faxback service*

If you would like to obtain commonly requested Board forms, including order forms for publications and forms, you may call the Board's Information Center and use the faxback option. Your order will be faxed to you within 24 hours of your call.

### *Specific information and tax advice*

For specific information about your account, or registration or tax reporting requirements, you may write, call, or fax the

Timber Tax Section, MIC:60

State Board of Equalization

P.O. Box 942879

Sacramento, CA 94279-0060

916-445-6964 phone

916-324-2757 fax

### *Written advice*

You may also visit our Internet site at [www.boe.ca.gov](http://www.boe.ca.gov).

For your protection, it is best to get tax advice in writing. You may be relieved of tax, penalty, and interest charges if the Board determines that it gave you erroneous written advice. For this relief to apply, a request for advice must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances involved.

### *Publications*

The Board publishes a variety of publications that may be of interest to you:

- 17 *Appeals Procedures*
- 29 *California Property Tax; an Overview*
- 43 *California Timber Yield Tax Law* (statutes and regulations)
- 51 *Guide to Board of Equalization Services* (includes full publications list)
- 70 *Understanding Your Rights as a Taxpayer*
- 86 *Timber Yield Tax* (introductory brochure)
- Timber and Timberland Values Manual*

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*Information on the  
Internet—  
[www.boe.ca.gov](http://www.boe.ca.gov)*

In addition to copies of selected forms and publications, our website also includes the *Timber Tax Return* (BOE-401-1PT), *Timber Tax Harvest Report* (BOE-401-APT), *Harvest Values Schedules*, timber harvest data by county, online ordering for forms and publications, Board meeting dates, county assessors' office information, and other information about the Board and the programs it administers.

You may also order publications, *Harvest Values Schedule*, and *Timber Tax Harvest Report* (BOE-401-APT) forms 24 hours a day by calling the Information Center (see previous page).

*Taxpayers' Rights  
Advocate*

If you have been unable to resolve a conflict with the Board through regular channels or would like to know more about your rights under the *Timber Yield Tax Law*, please contact the Taxpayers' Rights Advocate for help:

Taxpayers' Rights Advocate, MIC:70  
State Board of Equalization  
P.O. Box 942879  
Sacramento, CA 94279-0070  
888-324-2798 toll-free phone  
916-324-2798 phone  
916-323-3319 fax

## *What do you think of this publication?*

We hope that this publication will help you understand the Timber Yield Tax Law as it applies to your timber harvest and that it will help you complete your forms and returns.

We would appreciate it if you could take a few minutes to give us your comments and suggestions for this publication, so that we can improve future revisions. Please answer the questions below, remove the page, and return it to us. It is designed as a postage-paid self-mailer, so you may fold the page as indicated and seal it with two pieces of tape.

Thank you for taking the time to respond to this survey.

### **Publication Comments and Suggestions**

1. How does this publication help you determine how the timber yield tax applies to your timber harvest operations?
2. What sections of the publication do you find particularly helpful and why?
3. What sections of the publication, if any, do you find confusing?
4. Please list any topics not addressed in this pamphlet that you would like us to include.
5. What sections of the publication do you feel are incomplete? What would you add to them?
6. What other comments or suggestions do you have for improving this publication?

Name (optional) \_\_\_\_\_

Phone number (optional) \_\_\_\_\_

Date \_\_\_\_\_

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Sacramento, CA 94279-0058



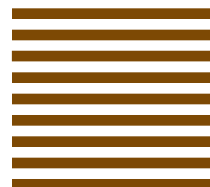
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### *Acknowledgment*

The sugar pine tree illustration in this publication is from artwork originally published in *Native Trees of the Sierra Nevada*, by P. Victor Peterson and P. Victor Peterson, Jr., published by the University of California Press, © 1975, The Regents of the University of California. Reprinted with permission.



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